

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 ROBERT LOUIS CARVER; ROBERT
18 LOUIS CARVER, II; JAMES LOWELL
DEMERS; LINCOLN FUNDS
19 INTERNATIONAL, INC., a Nevada
corporation; and PAROPES
CORPORATION, f/k/a BROOKSTONE
20 CAPITAL, INC., a Nevada corporation,

21 Defendants,

22 LINCOLN BIOTECH VENTURES, L.P.;
LINCOLN BIOTECH VENTURES II, L.P.;
23 LINCOLN BIOTECH VENTURES III,
L.P., and MacAUSLAN CAPITAL
24 PARTNERS, LLC,

25 Relief Defendants.

Case No. SACV 08-627 CJC (RNBx)

JUDGMENT OF PERMANENT
INJUNCTION AGAINST ROBERT
LOUIS CARVER, II

The Securities and Exchange Commission having filed a Complaint and Defendant Robert Louis Carver, II (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment of Permanent Injunction without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

L.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
10 and Defendant's agents, servants, employees, attorneys, and all persons in active
11 concert or participation with them who receive actual notice of this Judgment by
12 personal service or otherwise are permanently restrained and enjoined from
13 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
14 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
15 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
16 interstate commerce, or of the mails, or of any facility of any national securities
17 exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
 - (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
 - (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

III

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
28 in active concert or participation with them who receive actual notice of this

Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or

1 communication in interstate commerce or of the mails to offer to sell
2 or offer to buy through the use or medium of any prospectus or
3 otherwise any security, unless a registration statement has been filed
4 with the Commission as to such security, or while the registration
5 statement is the subject of a refusal order or stop order or (prior to the
6 effective date of the registration statement) any public proceeding or
7 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

8 **IV.**

9 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that**

10 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
11 in active concert or participation with them who receive actual notice of this
12 Judgment by personal service or otherwise are permanently restrained and enjoined
13 from violating, directly or indirectly, Section 206(1) and (2) of the Investment
14 Advisers Act of 1940 (the "Advisers Act"), 15 U.S.C. § 80b-6, by using the mails
15 or any means or instrumentality of interstate commerce:

- 16 (a) to employ any device, scheme, or artifice to defraud any client or
17 prospective client; or
18 (b) to engage in any act, practice, or course of business which operates as
19 a fraud or deceit upon any client or prospective client.

20 **V.**

21 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that**

22 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
23 in active concert or participation with them who receive actual notice of this
24 Judgment by personal service or otherwise are permanently restrained and enjoined
25 from violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C.
26 § 78o, which makes it unlawful for any broker or dealer which is either a person
27 other than a natural person or a natural person, to make use of the mails or any
28 means or instrumentality of interstate commerce to effect any transactions in, or to

1 induce or attempt to induce the purchase or sale of, any security (other than an
2 exempted security or commercial paper, bankers' acceptances, or commercial bills)
3 unless such broker or dealer is registered in accordance with subsection (b) of
4 Section 15, 15 U.S.C. § 78o(b).

5 **VI.**

6 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that
7 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,
8 and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §
9 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). The
10 Court shall determine the amounts of the disgorgement and civil penalty upon
11 motion of the Commission. Prejudgment interest shall be calculated from the date
12 of each offering, based on the rate of interest used by the Internal Revenue Service
13 for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).
14 In connection with the Commission's motion for disgorgement and/or civil
15 penalties, and at any hearing held on such a motion: (a) Defendant will be
16 precluded from arguing that he did not violate the federal securities laws as alleged
17 in the Complaint; (b) Defendant may not challenge the validity of the Consent or
18 this Judgment; (c) solely for the purposes of such motion, the allegations of the
19 Complaint shall be accepted as and deemed true by the Court; and (d) the Court
20 may determine the issues raised in the motion on the basis of affidavits,
21 declarations, excerpts of sworn deposition or investigative testimony, and
22 documentary evidence, without regard to the standards for summary judgment
23 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection
24 with the Commission's motion for disgorgement and/or civil penalties, the parties
25 may take discovery, including discovery from appropriate non-parties.

26 **VII.**

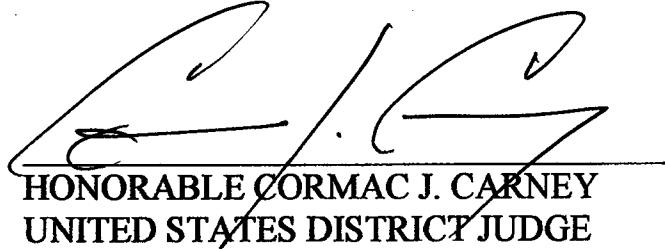
27 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the
28 Consent is incorporated herein with the same force and effect as if fully set forth

1 herein, and that Defendant shall comply with all of the undertakings and
2 agreements set forth therein.

3 **VIII.**

4 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this
5 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
6 of this Judgment and to determine disgorgement, prejudgment interest, and any
7 civil penalty.

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9 Dated: August 1, 2008

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11 HONORABLE CORMAC J. CARNEY
12 UNITED STATES DISTRICT JUDGE
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